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OFFICE OF REGIONAL COUNSEL
EPA - REGION X

UNITED MARINE SHIPBUILDING, INC.
1441 N. Northlake Way
Seattle, WA 98103
206-6321441

August 29, 1988

Ms. Jeanne A. Pascal
Assistant Regional Counsel
U.S. Environmental Protection Agency
Region 10
1200 Sixth Avenue
Seattle, WA 98101

RE: EPA AND DOE V. MARINE POWER & EQUIPMENT AND WFI INDUSTRIES,
NO. C85-382R

Dear Ms. Pascal:

I am replying to your letter dated August 24, 1988, which we received on Friday. In the letter, you indicated that the EPA had some "apparent difference of position as to what constitutes compliance with the intent of Part IV of the Consent Decree." I was extremely surprised to receive your letter, since we have heard nothing from the EPA since June when we submitted our report which we understood complied with Part IV. I will be very happy to meet with you as early as possible in order to resolve this problem, as indeed I would have been any time during the last three months. I am unavailable between August 31 and September 7, but will make myself available at your convenience at any time after that date; I suggest we tentatively set a meeting for September 8 at 10:00 a.m. If this conflicts with your schedule, please let me know, and I will be happy to work with you on selecting a time. If I do not hear from you, I assume we can meet here at our conference room.

As you may be aware, Marine Power and WFI have recently changed their business names and their ownership in conformance with the company's Plan of Reorganization which was confirmed on August 3, 1988. WFI has been renamed Unimar International, Inc., and Marine Power has been renamed United Marine Shipbuilding, Inc. To bring the Plan to fruition required Bankruptcy Court hearings and drafting and negotiation of commercial documents that ended up amounting to approximately 1900 pages. This has occupied virtually my every waking hour since some time in the middle of May. I bring this to your attention for two reasons: First, to let you know that I realize you may very well have tried to contact Marine Power on this matter and have been

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frustrated in your efforts to get hold of me. I apologize if that has been the case.

Second, I would like to point out that the new name and the new ownership have not changed the company's good faith commitment to carrying out the terms of the Consent Decree. Indeed, we devoted a considerable portion of our Disclosure Statement to the company's environmental problems, including giving notice of the Consent Decree and printing it in full in that statement which was distributed to each one of our approximately 1500 creditors. Indeed, advising this company's new Board of Directors of our environmental commitment was one of the first items I put before them at our first meeting on August 24.

Reorganizing under employee ownership and a radically different method of management has put us all in the awkward position of making tentative decisions one step at a time. As time passes, we expect to act more swiftly and with more confidence than we do now (when the company is only three days old).

Since none of us are scientists, we are in the same boat with the environmental problems since no one here has the expertise or the experience to understand what will satisfy the EPA at first crack. I tried to make this clear as Lee Rees, Jack Fox, and Monica Kirk and I were negotiating the terms of the Decree, and I thought that it was understood by all parties that we would be looking to the agencies for guidance along every step of the way. When we received no comment on the proposal we made, I assumed, apparently erroneously, that the Agency was simply making a thorough evaluation of the material that we submitted in order to provide us with some concrete guidelines in a situation which appears to be unique in the experience of all of the parties involved here. Certainly, the ten-week period that has passed is not, in my experience, an unusually long period of time for an agency reply.

I, therefore, look forward to an early meeting with you and the WSDOE to hear your comments and suggestions for any future action that needs to be undertaken. I'm sure at least that there is no dispute to be resolved about one point: that both agencies

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and the company wish to complete the requirements of the Consent Decree as soon as possible.

Thank you for your cooperation.

Sincerely yours,

United Marine Shipbuilding, Inc.



Ruth Nelson
General Counsel

RAN:jf
cc: Richard Woeck
Don Liddle
Lee Rees